



BACON & THOMAS, PLLC
625 SLATERS LANE
FOURTH FLOOR
ALEXANDRIA VA 22314-1176

MAILED

SEP 17 2012

OFFICE OF PETITIONS

In re Patent No. 6,116,729	:	
Issued: September 12, 2000	:	DECISION ON PETITION
Application No. 09/376,842	:	
Filed: August 18, 1999	:	
Attorney Docket No. CARS2001/TJM	:	

This is a decision on the petition under 37 CFR 1.378(b), filed May 14, 2012, to accept the unavoidably delayed payment of the maintenance fee.

The petition is **dismissed**.

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this two-month time limit can be granted under 37 CFR 1.136(a) or (b). Any such petition for reconsideration must be accompanied by the petition fee of \$400.00 as set forth in 37 CFR 1.17(f). The petition for reconsideration should include an exhaustive attempt to provide the lacking item(s) noted below because the Director will not undertake any further reconsideration or review of the matter after a decision on the petition for reconsideration.

The patent issued September 12, 2000. The second maintenance fee could have been paid during the period from September 12, 2007 through March 12, 2008, or with a surcharge during the period from March 13, 2008 through September 12, 2008. Accordingly, this patent expired on September 13, 2008, for failure to timely remit the second maintenance fee.

On May 14, 2012, petitioner, Carson Optical, Inc. (the assignee), filed the present petition requesting that the Office accept the unavoidably delayed payment of the maintenance fee due at 7.5 years for the above-identified patent pursuant to 37 CFR 1.378(b). In support of the petition, petitioner provided the Declarations of Carson Optical, Inc.; GEM Optical Co., Ltd.; Bacon & Thomas, PLLC; and, J.C. Patents Inc. In support of its showing of unavoidable delay, petitioner set forth the following facts:

GEM Optical Co., Ltd. of Taichung Hsien, Taiwan (referred to below as “GEM Optical”) entrusted Talents International Patent & Trademark Office of Taichung, Taiwan (referred to below as “Talents”) which further entrusted J.C. Patents Inc. of Irvine, California (referred to below as “J.C. Patents”) to file and prosecute U.S. Application No. 09376842 based on the priority of an application filed in China. See paragraph 2 of the Declaration of GEM Optical Co., Ltd.

J.C. Patents advised GEM Optical via Talents that U.S. Patent No. 6116729 (referred to below as “the ‘729 patent”) was issued on Application No. 09376842. See paragraph 3 of the Declaration of GEM Optical Co., Ltd.

GEM Optical was the Assignee of the ‘729 patent as granted. See paragraph 4 of the Declaration of GEM Optical Co., Ltd.

GEM Optical instructed Talents to pay the 3.5 years maintenance fee on the ‘729 patent, and J.C. Patents advised GEM Optical via Talents that it was paid. See paragraph 5 of the Declaration of GEM Optical Co., Ltd.

GEM Optical instructed Talents to pay the 7.5 years maintenance fee for the ‘729 patent. See paragraph 6 of the Declaration of GEM Optical Co., Ltd.

Talents instructed Bacon & Thomas, PLLC of Alexandria, Virginia (referred to below as “Bacon & Thomas”) to pay the 7.5 years maintenance fee for the ‘729 patent in an email dated June 25, 2008, which appears as the last email in the chain dated June 27, 2008 (copy attached as Exhibit A, to the Declaration of Bacon & Thomas, PLLC).

Bacon & Thomas sent to Talents both Invoice No. 61038 and an “Acknowledgment” form with an email dated June 28, 2008 (copy attached as Exhibit B, to the Declaration of Bacon & Thomas, PLLC). The subject line of the email refers to the ‘729 Patent, but the Invoice and the Acknowledgment form refer to U.S. Patent No. 6,116,758 (referred to below as “the ‘758 patent”).

Talents submitted payment to Bacon & Thomas by wire transfer and sent a “Notice of Remittance” letter to Bacon & Thomas dated August 21, 2008 (redacted copy attached as Exhibit C, to the Declaration of Bacon & Thomas, PLLC). The Notice of Remittance letter refers to Invoice No. 61038 and the ‘758 patent (and an unrelated application), but not to the ‘729 patent.

Bacon & Thomas paid the maintenance fee for the ‘758 patent, not the ‘729 Patent. See paragraph 5 of the Declaration of Bacon & Thomas, PLLC.

The U.S. Patent and Trademark Office (USPTO) subsequently listed the ‘729 patent as expired on September 12, 2008. At that time, the maintenance fee address for the ‘729 patent was J.C. Patents. Recently, in response to an inquiry from the undersigned, J.C. Patents stated that they have no record of receiving any notice of expiration of the ‘729 patent. See paragraph 3 of the Declaration of J.C. Patents filed

herewith. When Mr. Huang received Mr. Moore's first email regarding the '729 patent, Mr. Huang was traveling in Asia, and as soon as he returned to his office on May 4, 2012, he reviewed his records, and provided his Declaration.

GEM Optical signed a "Patent Assignment and License Agreement" dated September 29, 2011 (recorded at reel 028009, frame 0239, referred to below as the "PALA") with Carson Optical, Inc. of Hauppauge, New York (referred to below as "Carson Optical"), whereby GEM Optical assigned the '729 patent to Carson Optical in paragraph 1 thereof, and Carson Optical granted back a license to GEM Optical in paragraph 2 thereof. See paragraph 2 of the Declaration of Carson Optical, Inc.

At the time of signature of the PALA, GEM Optical advised Carson Optical that all the patents listed in the second paragraph of the PALA were in full force and effect. See paragraph 4 of the Declaration of Carson Optical, Inc.

Carson Optical accused a third party of infringement of the '729 patent, on March 5, 2012. See paragraph 6 of the Declaration of Carson Optical, Inc.

The third party notified Carson Optical on March 6, 2012, that the '729 patent had expired in 2008. Carson Optical immediately made an inquiry to GEM Optical. See paragraph 7 of the Declaration of Carson Optical, Inc.

The failure to timely pay the 7.5 years maintenance fee for the '729 patent was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and this petition was filed promptly after Carson Optical was notified of, or otherwise became aware of, the expiration of the patent.

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37 CFR 1.378(b) provides that a patent may be reinstated at any time following expiration of the patent for failure to timely pay a maintenance fee. A petition to accept late payment of a maintenance fee, where the delay was unavoidable, must include:

- (A) the required maintenance fee set forth in 37 CFR 1.20(e)-(g);
- (B) the surcharge set forth in 37 CFR 1.20(i)(1); and
- (C) a showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent.

The petition lacks item (3).

The required showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly. Furthermore, an adequate showing requires a statement by all persons with direct knowledge of the cause of the delay, setting forth

the facts as they know them. Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement.

As language in 35 U.S.C. 41(c)(1) is identical to that in 35 U.S.C. 133 (i.e., “unavoidable” delay), a late maintenance fee for the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. 133. See Ray v. Lehman, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm’r Pat. 1988), aff’d sub nom., Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), aff’d, 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992)). See MPEP 711.03(c) for a general discussion of the “unavoidable” delay standard.

As 35 U.S.C. 41(c) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 U.S.C. 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. Ray, 55 F.3d at 609; 34 USPQ2d at 1788. That is, an adequate showing that the delay in payment of the maintenance fee at issue was “unavoidable” within the meaning of 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent. Id. Thus, where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. 133. This is a very stringent standard. Decisions on reviving abandoned applications on the basis of “unavoidable” delay have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word ‘unavoidable’ . . . is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.

In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (quoting Pratt, 1887 Dec. Comm’r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 667-68 (D.D.C. 1963), aff’d, 143 USPQ 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm’r Pat. 139, 141 (1913). Decisions on revival are made on a “case-by-case basis, taking all the facts and circumstances into account.” Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). A petition cannot be granted where a petitioner has failed to meet his or her

burden of establishing that the delay was “unavoidable.” Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987). Moreover, patentee’s lack of knowledge of the need to pay the maintenance fee and the failure to receive the Maintenance Fee Reminder do not constitute unavoidable delay. See Patent No. 4,409,763, 7 USPQ2d 1798 (Comm’r Pat. 1988).

In determining if the delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. Ray v. Lehman, 55 F.3d 606, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995). The patent owner at the time of the expiration of the patent is ultimately the person responsible to ensure the timely payment of the maintenance fees. The patent owner may engage another to track and/or pay the maintenance fees; however, merely engaging another does not relieve the patent owner from his obligation to take appropriate steps to ensure the timely payment of such maintenance fees. See California Medical Prods. v. Tecnol Medical Prods., 921 F. Supp. 1219, 1259 (D. Del. 1995). Assuming, *arguendo*, that the patent owner was justified in relying on a third party to pay the maintenance fee, such reliance *per se* does not provide the patent owner with a showing of unavoidable delay within the meaning of 37 CFR 1.378(b) and 35 U.S.C. 41(c). California Medical Products v. Technol. Med. Prod., 921 F.Supp. 1219, 1259 (D. Del. 1995). Rather, such reliance merely shifts the focus of the inquiry from the patent owner to whether the third party acted reasonably and prudently. Nevertheless, the patent owner is bound by any errors that may have been committed by the third party.

The showing of record is that the delay in payment of the maintenance fee was due to Bacon & Thomas’ identification of the incorrect ‘758 patent in both Invoice No. 61038 and the Acknowledgement form sent to Talents and Talents’ reference to the Invoice and the ‘758 patent in the Notice of Remittance Letter. As a direct result, Bacon & Thomas paid the second maintenance fee for the incorrect ‘758 patent, instead of the ‘729 patent.

It is noted that a delay resulting from a failure in communication does not constitute unavoidable delay within the meaning of 35 U.S.C. 133. See Kim v. Quigg, 718 F. Supp. 1280, 1282 (E.D. Va. 1989). Moreover, the USPTO is not a proper forum for resolving a dispute between patentees and their representatives. See Ray v. Lehman, 55 F.3d 606, 609, 34 USPQ2d 1786, 1788 (Fed. Cir. 1995). Petitioners are reminded that the USPTO must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of an applicant, and the applicant is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962); Huston v. Ladner, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992). Thus, delay caused by the actions or inactions of a voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 U.S.C. 133. Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (D. Ind. 1987); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 167-68 (D.D.C. 1963), *aff’d*, 143 USPQ 172 (D.C. Cir. 1963) (delay caused by a failure to act by or on behalf of the party in interest at the time the action needs to be taken is binding on the successor in title).

The Office further notes a showing of diligence in matters before the USPTO is essential to support a finding of unavoidable delay. See Futures Technology, Ltd. v. Quigg, 684 F. Supp. 430, 431, 7 USPQ2d 1588 (E.D. Va. 1988) (applicant’s diligent inquiry into the status of the

application is required to show unavoidable delay); Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), aff'd, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (even representation by counsel does not relieve the applicant from his obligation to exercise diligence before the USPTO; applicant's lack of diligence extending two and one half years overcame and superseded any omissions by his counsel). The issue is whether the maintenance or reinstatement of the patent was actually conducted with the care and diligence that is generally used and observed by prudent and careful persons in relation to their most important business.

Here, the record fails to adequately evidence that the patent owner and its representatives exercised the due care and diligence observed by prudent and careful persons in relation to their most important business, which is necessary to establish unavoidable delay. In this instance, the indication of the incorrect patent number initially by Bacon & Thomas and the continuation of that error by Talents is a mistake that could have been avoided by the exercise of due care. There is nothing in the record to show that any individual responsible for tracking and paying the maintenance fee confirmed that the correct patent number was reflected in Invoice No. 61038, the Acknowledgement form, or the Notification of Remittance. Furthermore, petitioner did not provide statements from persons with firsthand knowledge explaining how this error went unnoticed and why their systems did not alert them to the non-payment of the second maintenance fee in the '729 patent. A prudent and careful person acting in relation to his most important business would have taken steps to ensure that the correct patent number was identified in the instructions to pay the maintenance fee and that confirm such payment was made in the intended patent. Thus, the inaction of GEM Optical, Talents, and Bacon & Thomas does not reflect the due care and diligence exercised by a prudent and careful person with respect to his most important business, and as such, does not demonstrate unavoidable delay within the meaning of 35 U.S.C. 133.

In view of the requirement to enumerate the steps taken to ensure timely payment of the maintenance fee, the failure to receive the Maintenance Fee Reminder or a Notice of Expiration does not constitute unavoidable delay. See generally In re Patent No. 4,409,763, 7 USPQ2d 1798 (Comm'r Pat. 1988), aff'd sub nom. Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), aff'd, 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992)); See also Final Rule entitled "Final Rules for Patent Maintenance Fees," published in the Federal Register at 49 Fed. Reg. 34716, 34722-23 (August 31, 1984), and republished in the Official Gazette at 1046 Off. Gaz. Pat. Office 28, 34 (September 25, 1984). Under the statutes and rules, the Office has no duty to notify patentees of the requirement to pay maintenance fees, when the maintenance fees are due, or if the patent has expired. It is solely the responsibility of the patentee to ensure that the maintenance fee is timely paid to prevent expiration of the patent. Thus, the failure to receive a Maintenance Fee Reminder will not relieve the patentee of the obligation to timely pay the appropriate maintenance fee to prevent expiration of the patent, nor will it constitute unavoidable delay if the patentee seeks to reinstate the patent under 37 CFR 1.378(b). See In re Patent No. 4,409,763, 7 USPQ2d 1798 (Comm'r Pat. 1988), aff'd sub nom. Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), aff'd, 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992). Furthermore, petitioner may not rely upon non-receipt of a Notice of Expiration to establish that the delay was unavoidable. The expiration of the patent takes place by operation of law for failure to timely pay the appropriate maintenance fee, not by the mailing of an Office communication, such a Notice of Expiration.

At the time the second maintenance fell due, the patent was owned by GEM Optical. GEM Optical was ultimately responsible for timely payment of the second maintenance fee. Thus, Carson Optical is bound by the delay resulting from GEM Optical and its representatives, including those business decisions, actions, or inactions which led to the failure to remit the maintenance fee. See Winkler v. Ladd, 221 F.Supp. 550, 552, 138 USPQ 666, 667 (D.D.C. 1963). Moreover, it is immaterial to the delay that led to the expiration that Carson Optical would not have acquiesced to the actions or inactions of GEM Optical or its representatives. The fact that Carson Optical may have acted diligently is of no consequence and does not overcome the delay attributed to GEM Optical or its representatives, as Carson Optical did not own any interest in the patent when the maintenance fee was due. See Kim v. Quigg, 718 F.Supp. 1280, 12 USPQ2d 1604 (E.D. Va. 1989). As to the assurances of GEM Optical that the patent was in full force and effect, Carson Optical could have exercised its due diligence and confirmed the status of the patent via the USPTO's website. Nevertheless, the USPTO is not the proper forum for resolving any dispute between GEM Optical and Carson Optical.

In view of the above, the showing of record is inadequate to establish to the satisfaction of the Director that the delay was unavoidable within the meaning of 37 CFR 1.378(b). Accordingly, the petition is **dismissed**.

Petitioner should note that if this petition is not renewed, or if renewed and not granted, then the maintenance fees and post expiration surcharge are refundable. The \$400.00 petition fee for seeking reconsideration is not refundable. Any request for refund should be in writing to the following address:

Mail Stop 16
Director of the US Patent and Trademark Office
PO Box 1450
Alexandria, VA 22313-1450

A copy of this decision should accompany petitioner's request.

Further correspondence with respect to this matter should be addressed as follows:

By mail: Mail Stop Petition
 Commissioner for Patents
 P.O. Box 1450
 Alexandria, VA 22313-1450

By FAX: (571) 273-8300
 Attn: Office of Petitions

By hand: Customer Service Window
 Randolph Building
 401 Dulany Street
 Alexandria, VA 22314

Correspondence may also be submitted electronically via EFS-Web.

Telephone inquiries concerning this matter may be directed to the undersigned at (571) 272-3211.

/Christina Tartera Donnell/

Christina Tartera Donnell
Senior Petitions Attorney
Office of Petitions